

FROM the editor's desk

CPD activities during this quarter were tilted more towards outreach activities of various types. An important report, *Global Competitiveness Report (GCR) 2016-2017* was released to the media as part of a global launch. As may be recalled, CPD, in partnership with the World Economic Forum (WEF), has been contributing to the GCR since 2001. Whilst Bangladesh has made some progress in terms of score, its relative ranking has seen only marginal improvement. Lack of infrastructure and corruption continued to remain endemic major constraints confronting Bangladesh and undermining the cause of investment. The *Business Environment Study 2016*, unveiled at the same time, revealed the importance accorded by Bangladesh's major stakeholders on the need for more allocation of resources to transport and connectivity sectors.

The CPD published global report titled *Implementing Agenda 2030: Unpacking the Data Revolution at the Country Level* was launched in this quarter, in New York, in the presence of a number of experts. This report, which received high accolades, presents case studies from seven countries across four continents. The report comes up with many insights as regards data quality and data availability for tracking the progress in connection with the Sustainable Development Goals (SDGs).

A report titled "Coherence and Synergies between the IPoA and the 2030 Agenda" was published in this quarter. The report is a contribution to deeper understanding of the linkages between the goals and targets set out in the Istanbul Programme of Action (IPoA) and the 2030 Agenda for Sustainable Development. The report observed that these two global commitments are mutually reinforcing.

Some of the major ongoing research activities of CPD in this quarter included understanding the dynamics and interrelationship among decentralisation, multilevel governance and corruption; strengthening operational modalities of the SAARC Food Bank; capturing the possible impact of Brexit on the Bangladesh economy; and, examining the impact of Trans-Pacific Partnership on least developed countries such as Bangladesh.

As part of activities under the banner of the "Citizen's Platform for SDGs, Bangladesh" of which CPD is the Secretariat, a dialogue was organised on the theme of *SDG 16 in the Bangladesh Context: Peace and Security, Human Rights, and Governance*. The dialogue was an opportunity for key stakeholders of the civil society to raise a number of concerns in view of implementing Goal 16 in the country context.



CPD conveyed necessary measures towards ensuring higher economic ranking for Bangladesh

The Global Competitiveness Report 2016-2017

In spite of Higher Score the Ranking is not Impressive for Bangladesh

Bangladesh has moved one notch upward in the global competitiveness ranking by securing 106th position among the 138 countries. However, Bangladesh is still an underperformer in the 'Basic Requirement' sub-index of the competitiveness. In terms of score, Bangladesh has received 3.8 out of 7 which is an increase by only 1.06 per cent.

Such findings were revealed by The *Global Competitiveness Report 2016-2017* launched by the CPD at a media briefing on 28 September 2016 at CIRDAP Auditorium, Dhaka. The event, as always, coincided with the global release of the Report. The Global Competitiveness Report (GCR) is a cross-country benchmarking analysis of the factors and institutions that determine long-term growth and prosperity of countries. CPD has been partnering with The World Economic Forum (WEF), known as the Davos Forum, in preparing the Bangladesh report since 2001. *Dr Khondaker Golam Moazzem*, Additional Research Director, CPD presented the GCR 2016-2017 along with *Bangladesh Business Environment Study 2016*.

According to the Report, Bangladesh is yet to make visible progress in three out of four 'basic requirement' sub-index: Institution, Infrastructure, and Health and Primary Education. The Report said that Bangladesh has made considerable progress in *Institutions* (125th from 132nd) and *Infrastructure* (114th from 123rd) pillars. On the other hand, there is noticeable negative trend in the *Macroeconomic Stability* pillar which happened because of the declining situation in terms of government budget balance (% of GDP), gross national

savings (% of GDP) and country credit rating. This has affected further improvement in overall ranking of the country. Performance of Bangladesh has also weakened in the case of *Health and Primary Education* (105th from 101st) and *Financial Market Sophistication* (99th from 90th) pillars. Bangladesh's position at the *Labour Market Efficiency* pillar has improved but the score declined (score -2.98%) compared to that in the last year.

Dr Moazzem observed that Bangladesh economy is not ready to take a transformative journey towards competitive ranking of those of the middle-income countries. The government should focus on human resource development, business innovation and multimodal transport network within the country for smooth operation of the business supply chain. Such initiatives will support the country's journey towards moving higher in the GCR ranking.

The 2017 ranking has placed Switzerland, Singapore, United States of America, Netherlands and Germany as the top 5 countries. Among the neighbouring countries India has made remarkable improvement by moving to 39th position from 55th last year. Bhutan and Nepal have also improved from their last year's positions and ranked 97th and 98th respectively. Pakistan ranked 122nd and became the weakest performer among the South Asian countries.

CPD Executive Director *Professor Mustafizur Rahman*, CPD Dialogue & Communication Director *Ms Anisatul Fatema Yousuf* and CPD Senior Research Associate *Mr Kishore Kumer Basak* were present at the event.

Citizen's Platform for SDGs, Bangladesh

Comprehensive National Strategy through Participatory Process Vital to Achieve SDGs



(L-R) Mr Towfiqul Islam Khan, Mr Syed Manzur Elahi, Mr A H M Mustafa Kamal, MP, Professor Anisuzzaman, Dr Debapriya Bhattacharya, Dr Shamsul Alam, Dr Hossain Zillur Rahman and Ms Khushi Kabir

Bangladesh achieved remarkable success in the Millennium Development Goals (MDGs), and following the trail of success it is high time now for the country to formulate a comprehensive national strategy towards achieving the Sustainable Development Goals (SDGs). This comprehensive national strategy should be formulated through a participatory process so that all stakeholders can contribute to the country's journey towards achieving SDGs.

Experts expressed such opinion at a dialogue titled *SDG 16 in the Bangladesh Context: Peace and Security, Human Rights and Governance* organised by the Citizen's Platform for SDGs, Bangladesh at BRAC Centre Inn Auditorium on 28 July 2016. The Platform is an initiative of more than thirty civil society organisations which aims to contribute to the delivery of the SDGs adopted by the United Nations under the 2030 Agenda for Sustainable Development. The CPD is acting as the Secretariat of the Platform.

CPD Research Fellow *Mr Towfiqul Islam Khan* presented the keynote paper on the subject and he identified five challenges in Bangladesh's journey to meet the SDGs. These are – adapting conceptual clarification; developing institutional capacity; availability of data and information; ensuring accountability and participation; and political will. He also noted that it is a good sign that the government has revised the Seventh Five Year

Plan (7FYP) in alignment with some of the targets of the SDGs. However, we need to develop a comprehensive national strategy and action plan for effective implementation of the SDGs, said *Mr Khan*.

Convenor of the Citizen's Platform for SDGs, Bangladesh *Dr Debapriya Bhattacharya*, Distinguished Fellow of the CPD, termed the *Goal 16* as the *Jewel in the Crown*. The success in achieving this goal will glorify the success for other goals, and at the same time, the loss of the crown will affect the entire implementation process, he added.

Speaking as the Special Guest *Dr Shamsul Alam*, Member, General Economics Division, Planning Commission, Government of Bangladesh, stressed on institutional coordination among all the government agencies in keeping the implementation process on track.

Mr A H M Mustafa Kamal, FCA, MP, Hon'ble Minister for Planning, GoB, present as Chief Guest, emphasised on a comprehensive reform process at all the government agencies to reduce institutional corruption in the country.

The event was chaired by eminent academic *Professor Anisuzzaman*. Combined efforts from the government, the civil society and the private sector will be vital in delivering the SDGs, he emphasised.

Discussants at the dialogue mentioned that Bangladesh's success in MDGs such as reducing poverty, hunger, disease, gender inequality, and maternal and child mortality needs to be carried on. Government will need to deal promptly and intently with the challenges of poor governance, widespread corruption and rising inequalities, otherwise it will be difficult to achieve the SDGs.

Mr Syed Manzur Elahi, Former Advisor to the Caretaker Government and Chairman, Apex Group; *Ms Khushi Kabir*, Coordinator, Nijera Kori and *Dr Hossain Zillur Rahman*, Former Advisor to the Caretaker Government and Executive Chairman, Power and Participation Research Centre (PPRC), also delivered their views as Distinguished Discussants of the dialogue.

YSSS Session on Labour Market and Economic Implications of Brexit for Bangladesh



A session under CPD's Young Scholars' Seminar Series (YSSS) was held on 1 August 2016 where *Ms Shahida Pervin* (L) and *Ms Sherajum Monira Farin* (R), Research Associates of CPD, presented their topics of research.

Ms Pervin's presentation titled *Labour Market: Concepts, Issues and Evidences* focused particularly on the developing countries. She described the conceptual framework of policies and institutions of the labour market. The presentation also shed light on issues related to earnings, inequality and segmentation in the labour markets of developing countries. The

purpose of the presentation was to gather suggestions for possible and useful research ideas related to the labour market.

Ms Monira's proposed research topic was *The Economic Implications of "Brexit" on Bangladesh Economy*. She highlighted that there could be long-term implications of Brexit for Bangladesh in the areas of trade, foreign direct investment, remittance, foreign aid and migration. However, she contended that it may not be possible to identify the challenges until the UK officially begins the withdrawal process from the EU and negotiations start taking place.

Regarding *Ms Pervin's* presentation, participants suggested possible labour market-related research topics which include (i) exploring Bangladesh's labour market in the framework of SDGs, and (ii) effects of the recent security situation on Bangladesh's labour market. With respect to implications of Brexit for Bangladesh's economy, attendees viewed the study as pertinent and much-needed to prepare policymakers for future bilateral negotiations.



Research Division Report

Decentralisation, Multilevel Governance and Corruption

Corruption is often disaggregated into categories including petty, administrative or bureaucratic corruption; grand corruption; and political corruption which can include state capture and patronage. Regional and global factors such as organised crime and economic interdependencies also shape corruption at both national and local levels. Keeping this in purview, corruption as well as decentralisation can be understood as multilevel phenomena. The Overseas Development Institute (ODI), London in collaboration with CPD, the University of the Andes, Bogota and Centre for Democracy and Development, Lagos is conducting a study titled *Decentralisation, Multilevel Governance and Corruption* to explore the relationship between decentralised governance and corruption in the context of three countries – Bangladesh, Colombia and Nigeria. This study will apply a comparative and multilevel approach to decentralisation and corruption, both within and across countries, and will explore the variation in prevalence, dynamics and impacts of corruption in different decentralised contexts; the effects on corruption of local and national factors related to the quality of decentralisation; and the implications for anti-corruption measures. The CPD team for this study comprises Distinguished Fellow *Dr Debapriya Bhattacharya* and Senior Research Associate *Ms Umme Shefa Rezbana*.

SAARC Food Bank (SFB): Institutional Architecture and Issues of Operationalisation

SAARC countries have shown commendable progress in various dimensions of food security, but there still remains increasing food insecurity concern in the face of climate change, population and demographic dynamics and rapid loss of arable lands. In this regard, SAARC Food Bank (SFB) can play imperative role by solving regional food shortages collectively and providing a food security reserve for the countries in need. This study aspired to assess the key provisions informing the SFB initiative, identify the weaknesses that undermine effective operationalisation of the SFB and to come up with an evidence-informed institutional architecture to raise operational efficacy of the SFB. The major challenges to the operationalisation of SFB as identified in this study are the ambiguous eligibility criteria and impractical trigger mechanism for withdrawal of foodgrains, inadequate quantum of reserve, absence of proper pricing mechanism in case of emergency exchange of foodgrains and lack of information sharing. This study recommended the following to raise the efficacy of the SFB – specification of eligibility criteria for a country to seek support from SFB, revision of the 8 per cent production shortfall trigger mechanism, introduction of new institutional mechanisms in the form of agricultural forecasting committee and involvement of private traders, additional provisions regarding standard quality certificate and pricing structure, and the active assertion of political will and commitment. The study was conducted by the Executive Director *Professor Mustafizur Rahman*, and Research Associates *Mr Estiaque Bari* and *Ms Sherajum Monira Farin* of CPD.

Coherence and Synergies between the IPoA and the 2030 Agenda

Four years after the adoption of the Istanbul Programme of Action (IPoA), heads of states adopted the 2030 Agenda for Sustainable Development, or the Sustainable Development Goals (SDGs) with the objective to fight poverty and achieve sustainable development during the next 15 years. This new global development agenda focuses on all dimensions of sustainable development with a special focus on the least developed and most vulnerable countries. The agenda is transformational and ambitious and puts a focus on equality under the headline “Leaving no one behind”, which implies giving priority to the LDCs as marginalised and vulnerable countries. LDCs received special attention in the 2030 Agenda as the most vulnerable countries in the world. Indeed, the 2030 Agenda aims to support the implementation of

relevant strategies and programmes of action, including the IPoA. The challenges and priorities of LDCs are firmly embodied in the basic architecture of the 2030 Agenda. This study maps the goals and targets of the IPoA to the 2030 Agenda. It focuses on the actions agreed in the IPoA and the means of implementation under each SDG as well as in goal 17, and how their implementation can be enhanced. The study gives special attention to the issue of coherence in the implementation, review and follow-up of the IPoA on one hand and the 2030 Agenda for Sustainable Development and the outcomes of other processes, on the other. Policy implications for mainstreaming the global frameworks at the national, regional and global levels are also made. The study was a part of the UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) report titled “State of the Least Developed Countries 2016: Follow up of the Implementation of the Istanbul Programme of Action for the Least Developed Countries”. CPD Research Director *Dr Fahmida Khatun* has conducted study.

The Economic Implications of the UK’s Exit from the EU – The Bangladesh Perspective

The EU referendum and the British electorate’s decision to leave the EU has initiated a plethora of economic and political debates, and the tremors of this decision is being felt globally. This study aims to ably interpret what this decision and the resultant interaction of economic forces mean for the Bangladesh economy. The principal objective of this study is to initiate an informed discussion and debate among the relevant stakeholders including policymakers, academics, business community, civil society actors and development partners. This study provides a documented overview of the short-term ‘revealed’ impacts including the plunge of exchange rate of Pound Sterling (GBP) against all major currencies and its journey henceforth, the fluctuations in the stock market and the bond market, shrinkage experienced by the UK economy, and the interest rate cut by the Bank of England. A wide range of well-versed literature presenting robust quantitative analysis and firm rationales on this issue has been consulted to present an understanding of the medium-term implications of the UK’s exit from the EU. Recommendations from this study will focus on policy preparedness of Bangladesh in view of the above. This ongoing study is being conducted by Executive Director *Professor Mustafizur Rahman*, Research Fellow *Mr Towfiqul Islam Khan* and Research Associate *Ms Sherajum Monira Farin* of CPD.

Trans-Pacific Partnership and its Implications for the LDCs: A Case of Bangladesh’s RMG Market to the US

After seven years of long negotiations, in February 2016, the Trans-Pacific Partnership (TPP) Agreement was signed amongst 12 Pacific Rim countries viz. Singapore, Brunei Darussalam, New Zealand, Chile, United States, Australia, Peru, Vietnam, Malaysia, Mexico, Canada and Japan. The Agreement talked about a number of issues such as trade barriers, environmental protection, governance, human rights and intellectual property rights, etc. It is expected that the mega-regional deal will open up a new era in the multilateral trading system and will provide additional market access opportunity to the partnering nations. At the same time, it may have a significant non-complying impact on a number of issues for non-partner countries. As an LDC, Bangladesh could be adversely affected. The ongoing study takes into cognisance the case of Bangladesh’s readymade garments (RMG) export to the US market and will assess Bangladesh’s changing comparative edge against partnering counterpart, i.e. Vietnam. The study team includes Executive Director *Professor Mustafizur Rahman*, Research Fellow *Mr Towfiqul Islam Khan* and Senior Research Associate *Mr Md. Zafar Sadique* of CPD. The study is being conducted under *Think Tank Initiative’s* Opportunity Fund.

Capacity Building (continued from page 4)

- Participated at the *Trade and Transport Facilitation Audit in South Asia: Dissemination of Study Findings* organised by South Asia Watch on Trade, Economics and Environment (SAWTEE) on 29-30 September 2016 in Kathmandu, Nepal.

Mr Muntaseer Kamal, Research Associate

Attended a short-term training programme on *China’s 13th Five-Year Plan and development opportunities for China’s neighboring countries* organised

by Ministry of Foreign Affairs, China, in collaboration with China Institute of International Studies (CIIS) on 18-25 July 2016 in Beijing, Shanghai and Hangzhou, China.

Mr Muntaseer Kamal and Ms Sherajum Monira Farin
Research Associates

Attended the *First SANEM Training Program on Cutting Edge Methods in Applied International Trade* organised by South Asian Network on Economic Modeling (SANEM) on 5-8 August, 2016 in Cox’s Bazar, Bangladesh.



CPD Special Publication Post-2015 Data Test Report Launched in New York

CPD publication titled *Implementing Agenda 2030: Unpacking the Data Revolution at the Country Level* was launched in New York on 8 July 2016. The report, authored by Shannon Kindornay, Debapriya Bhattacharya and Kate Higgins, was the output of one of CPD's collaborative global initiative *Post-2015 Data Test: Unpacking the Data Revolution at the Country Level*. The other partners of the initiative are the Norman Paterson School of International Affairs (NPSIA) at Carleton University, Ottawa and the Southern Voice on Post-MDG International Development Goals.

The 2030 Agenda for Sustainable Development or the Sustainable Development Goals (SDGs) has included two unique features in the global development discourse for the next one and a half decade – 'universality' and 'inclusiveness'. These features have brought forth the challenge of determining the quantitative targets and indicators that will report on the progress of achievement and status of implementation for each country in their own context. Many countries, particularly those from the low-income tier, are observed to have inadequate preparation in this regard.

This CPD-NPSIA-Southern Voice unique report is prepared based on seven country studies, conducted by seven partnering organisations. These countries are Bangladesh, Canada, Peru, Senegal, Sierra Leone, Tanzania and Turkey. The report seeks to examine the state of data availability and quality of the respective countries in measuring the progress of SDGs, inherent challenges of the process and available ways to mitigate these challenges. The study has examined 45 indicators for all the country studies clustered under seven goal areas which include poverty, education, employment and inclusive growth, energy and infrastructure, environmental sustainability and disaster resilience, governance and

global partnership. The synthesis report has put forward a number of recommendations for the policymakers and development practitioners across the globe on a toolkit to evaluate their statistical situations and way forward.

The report was unveiled at a half-day dialogue titled Making Every Life Count: A Dialogue on Unpacking the Data Revolution at the Country Level organised by Southern Voice on Post-MDG International Development Goals and the United Nations Foundation (UNF). CPD Executive Director Professor Mustafizur Rahman, as the lead author of the Bangladesh country report, and Chair of the Southern Voice and CPD Distinguished Fellow Dr Debapriya Bhattacharya participated in the dialogue as panelists of the session titled *Recommendations and Implications from "Unpacking the Data Revolution at the Country-Level"*.



The event brought together eminent researchers from each of the case countries to share findings and recommendations from the respective country reports, and thought leaders from the United Nations, member state missions, academia and civil society to make interventions on the presentations in the form of an informal and interactive discussion.

Capacity Building for CPD Professionals

Mr Uttam Kumar Paul, Deputy Director, Finance & Admin
Mr Shamimur Rohman, Senior Accounts Associate
Mr Md. Zillur Rahman, Accounts Associate

Attended the training course on *Advanced Financial Management* organised by Princeton Academy on 1-4 September 2016 in Mumbai, India.

Mr Md. Zafar Sadique, Senior Research Associate

- Participated at the *National Trade Portal and Single Window Best Practices Forum* organised by the United States Department of State and the United States Agency for International Development on August 9-10, 2016 in Colombo, Sri Lanka.

(Continued on page 3)

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